

News : US POWER TRACKER: NYISO forward power, gas prices peak in January, remain down on year

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- Zone J power forwards for Jan averaged \$96.41/MWh
- Jan forward gas prices averaged \$7.26/MMBtu

New York Independent System Operator forward power and natural gas prices for the winter peaked in January during November trading, with power and gas forwards declining month on month and year on year. Gas-fired power generation increased significantly in November as power imports declined nearly 50%, according to S&P Global Commodity Insights power market analysts.

NYISO Zone J New York City on-peak forward power prices for December averaged \$56.26/MWh in November trading, down 18% month on month and down 53% year on year from \$120.23/MWh in December 2022, according to Platts M2MS data.

Forward power prices at the hub for January 2024 averaged \$96.41/MWh, a 13% decline month on month and 55% lower than \$212.09/MWh a year ago, and forward power for February averaged \$87.36/MWh, down 8% on month and down 57% on year from \$205.09/MWh.

Forward gas prices declined as well with Transco Zone 6 prices for December averaging \$4.00/MMBtu in November trading, a 20% decline month on month and down 56% from \$9.06/MMBtu a year ago. Forward gas prices for January 2024 averaged \$7.26/MMBtu, down 13% month on month and down 54% from \$15.83/MMBtu last year. Forward gas prices for February were down slightly from January forwards to average \$6.94/MMBtu, which was down 11% month on month and down 57% year on year from \$15.97/MMBtu.

Power generation fuel mix

Power generation increased 11% in-state alongside a rise in power demand, as imports into the region declined nearly 50%, resulting in a large increase in gas-fired generation, according to the latest S&P Global North American Electricity Short-Term Outlook.

Dual fuel units, which primarily run on gas with a backup fuel like oil, accounted for 27.2% of the NYISO power generation fuel mix in November, up from 23.6% in October and 25.1% in November 2022, according to ISO data.

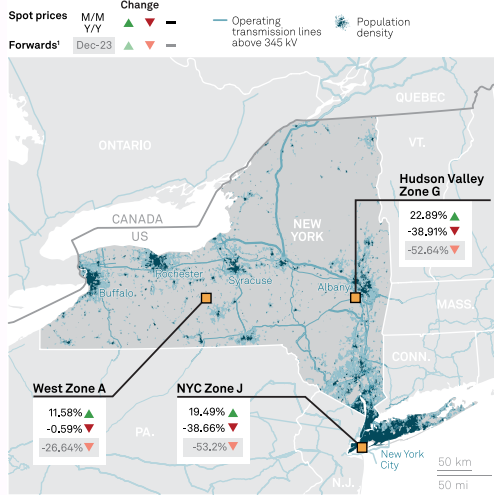
Gas-fired power accounted for 22.2% of the November fuel mix, down from 23.2% in October, which was the same share as in November 2022.

Nuclear power also supplied 22.2% of the generation mix in November, down from 24.5% in October and 23.9% in November 2022.

NYISO three-month forward power prices down over 50% on year

New York Independent System Operator Zone J on-peak forward power prices remain well below 2022 levels, with the average Zone J forward strip for December, January 2024 and February 2024 averaging \$80.01/MWh in November trading, compared with an average of \$179.14/MWh for the corresponding period last year. Power forwards were driven down largely by lower forward gas prices, with three-month forward gas prices down 55% on year.

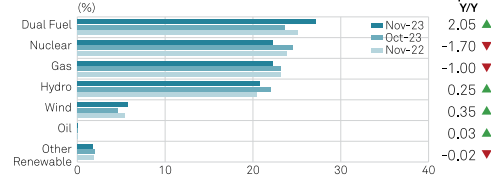
NYISO power price changes



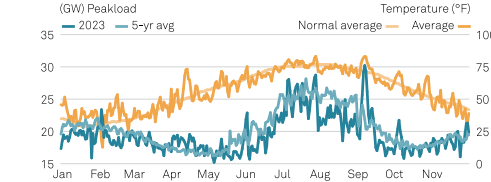
Day-ahead on-peak average price comparison (\$/MWh)

Location	Nov-23	Oct-23	Nov-22	M/M	Y/Y
NYISO Hudson Valley Zone G	37.87	30.65	61.66	7.02	-23.99
NYISO N.Y.C. Zone J	38.31	32.06	62.46	6.25	-24.15
NYISO West Zone A	28.90	25.90	29.07	3.00	-0.17

Generation mix comparison

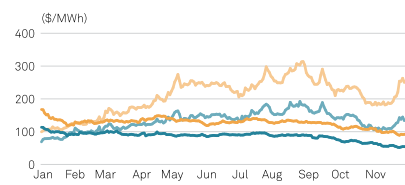


NYISO peakload & population-weighted temperatures

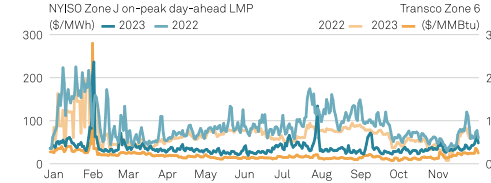


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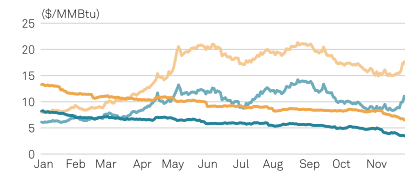
NYISO Zone J forward prices



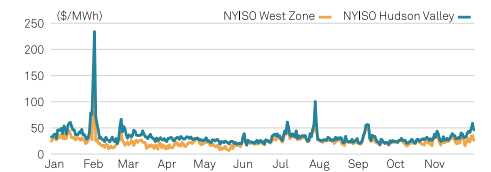
Spot power & gas prices



Transco Zone 6 forward prices



NYISO wind power capture prices



S&P Global
Commodity Insights

Notes: (1) Forward prices reflect percentage changes from year-ago packages
Source: NYISO, CustomWeather, NASA Socioeconomic Data and Applications Center (SEDAC), S&P Global Commodity Insights, Platts Analytics
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Hydropower accounted for 20.7% of the November fuel mix, down from 22.0% in October and up slightly from 20.5% a year ago.

Wind power accounted for 5.7% of the fuel mix in November, up from 4.6% in October and 5.4% in November 2022. The remaining generation mix was made up by other renewable sources including utility-scale solar power.

Power demand increased 5% on month in November, with peakload averaging 18,562 MW compared with 17,703 MW in October, according to ISO data.

Power demand increased largely due to cooler weather with November temperatures across the NYISO footprint dropping considerably month on month to average 43.9 degrees Fahrenheit compared with an average of 58.9 degrees in October, according to CustomWeather data.

Fossil fuel-fired generation units retained

In a Nov. 20 report, the NYISO designated four power generating facilities — Gowanus Gas Turbines Station 2 and 3 and Narrows Generating Station 1 and 2 — as **critical to meeting reliability needs past May 2025**. NYISO said its designation will run for two years, with the possibility of a two-year extension if a permanent reliability solution has not been put in place by 2027.

Each affected facility is a floating barge moored off the Brooklyn waterfront holding numerous generating units that burn either natural gas or fuel oil. Those generating units are used only occasionally to provide power to the city during periods of peak demand. According to NYISO, the four barges have a combined generation capacity of 564.92 MW and contribute 508 MW toward the city's transmission security margin.

Eastern Generation, an affiliate of private equity infrastructure investment company ArLight Capital Partners, owns all four barges.

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